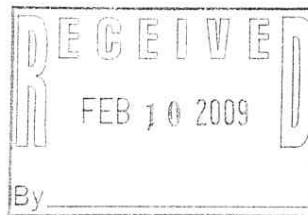


ANTELOPE VALLEY DOMESTIC VIOLENCE COUNCIL

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2008

DATE RECEIVED:



AUDIT REVIEW #(s) 04463

Assigned To: MacMillan

Date Reviewed: 4/13/09

Reviewer's Initials: [Signature]

Date Review(s) Completed: 4/13/09

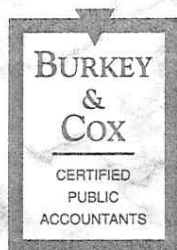
BURKEY COX EVANS BRADFORD & ALDEN
Accountancy Corporation
44811 Date Avenue, Suite A
Lancaster, CA 93534

ANTELOPE VALLEY DOMESTIC VIOLENCE COUNCIL
JUNE 30, 2008

TABLE OF CONTENTS

	<u>Page No.</u>
FINANCIAL INFORMATION	
Independent Auditor's Report	1 – 2
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 – 13
SUPPLEMENTARY INFORMATION	
Schedule of Federal Financial Assistance	14
Schedule of State Financial Assistance	15
Schedule of County Financial Assistance	16
Schedule of Grant Revenues – O.E.S. Criminal Justice Program Division	17
Schedule of Grant Expenditures – O.E.S. Criminal Justice Program Division	18
Statement of Activities – Budget and Actual	19 – 20
Board of Directors	21
Notes to Supplementary Information	22
OTHER INDEPENDENT AUDITOR'S REPORTS	
Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	23
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	24 – 25
FINDINGS AND QUESTIONED COSTS	
Schedule of Audit Findings and Questioned Costs	26 – 27
Status of Prior Year Findings and Questioned Costs	28

FINANCIAL INFORMATION



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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Antelope Valley Domestic Violence Council
Lancaster, California

We have audited the accompanying financial statements of Antelope Valley Domestic Violence Council (a nonprofit organization) as of and for the year ended June 30, 2008, which collectively comprise the Antelope Valley Domestic Violence Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Antelope Valley Domestic Violence Council's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Antelope Valley Domestic Violence Council as of June 30, 2008, and the respective changes in financial position, and cash flows, where applicable, thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2009, on our consideration of the Antelope Valley Domestic Violence Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The Schedule of State Financial Assistance, Schedule of County Financial Assistance and Schedule of Grant Revenues – O.E.S. Criminal Justice Program Division, Schedule of Grant Expenditures – O.E.S. Criminal Justice Program Division, Board of Directors and Notes to Supplementary Information on pages 15 through 18 and 21 through 22, are not required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Antelope Valley Domestic Violence Council
Page 2

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Antelope Valley Domestic Violence Council's basic financial statements. The schedule of financial assistance is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal financial assistance is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the accompanying Schedule of Grant Revenues – O.E.S. Criminal Justice Program Division and Schedule of Grant Expenditures – O.E.S. Criminal Justice Program Division, and is also not a required part of the basic financial statements of Antelope Valley Domestic Violence Council. The financial statements and schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The supplementary information statements section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Burkey & Cox

BURKEY COX EVANS BRADFORD & ALDEN
Certified Public Accountants

Lancaster, California
January 27, 2009

ANTELOPE VALLEY DOMESTIC VIOLENCE COUNCIL
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2008

ASSETS

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL ALL FUNDS</u>
ASSETS			
Cash	\$ 495,545	\$ 7,032	\$ 502,577
Accounts Receivable	372,699	0	372,699
Inventory	40,878	0	40,878
Prepaid Expenses and Other Current Assets	16,554	0	16,554
Property and Equipment, Net	<u>641,011</u>	<u>0</u>	<u>641,011</u>
Total Assets	<u>\$ 1,566,687</u>	<u>\$ 7,032</u>	<u>\$ 1,573,719</u>

LIABILITIES AND NET ASSETS

LIABILITIES

CURRENT LIABILITIES:

Accounts Payable	\$ 35,890	\$ 0	\$ 35,890
Accrued Expenses	41,913	0	41,913
Accrued Payroll	41,958	0	41,958
Deferred Revenue	79,106	0	79,106
Compensated Absences	<u>67,572</u>	<u>0</u>	<u>67,572</u>
Total Current Liabilities	<u>266,439</u>	<u>0</u>	<u>266,439</u>

LONG-TERM LIABILITIES:

Loan Payable	<u>500,000</u>	<u>0</u>	<u>500,000</u>
Total Long-Term Liabilities	<u>500,000</u>	<u>0</u>	<u>500,000</u>
Total Liabilities	<u>766,439</u>	<u>0</u>	<u>766,439</u>

NET ASSETS

Unrestricted	800,248	0	800,248
Temporarily Restricted	<u>0</u>	<u>7,032</u>	<u>7,032</u>
Total Net Assets	<u>800,248</u>	<u>7,032</u>	<u>807,280</u>
Total Liabilities and Net Assets	<u>\$ 1,566,687</u>	<u>\$ 7,032</u>	<u>\$ 1,573,719</u>

The accompanying Notes to Financial Statements are an integral part of these Statements.

ANTELOPE VALLEY DOMESTIC VIOLENCE COUNCIL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL ALL FUNDS</u>
PUBLIC SUPPORT AND REVENUES			
PUBLIC SUPPORT			
Corporation and Foundation Donations	\$ 22,800	\$ 0	\$ 22,800
Individual, Service Organizations, and Employee Fund Donations	141,198	0	141,198
Total Public Support	<u>163,998</u>	<u>0</u>	<u>163,998</u>
REVENUES			
Federal Financial Assistance/Grants	1,043,732	0	1,043,732
State Financial Assistance/Grants	226,808	0	226,808
County Financial Assistance/Grants	480,209	0	480,209
Thrift Shop Sales	88,711	0	88,711
Special Events and Fundraising	46,562	0	46,562
United Way	88,098	0	88,098
Other	18,148	0	18,148
In-Kind Donations	1,272,935	0	1,272,935
Investment Earnings	1,000	0	1,000
Total Revenues	<u>3,266,203</u>	<u>0</u>	<u>3,266,203</u>
Net Assets Released from Restrictions	<u>0</u>	<u>0</u>	<u>0</u>
Total Public Support and Revenues	<u>3,430,201</u>	<u>0</u>	<u>3,430,201</u>
FUNCTIONAL EXPENSES			
Program Services	3,233,166	0	3,233,166
Supporting Services:			
Management and General	380,599	0	380,599
Fund-Raising	4,504	0	4,504
Total Functional Expenses	<u>3,618,269</u>	<u>0</u>	<u>3,618,269</u>
Change in Net Assets	(188,068)	0	(188,068)
NET ASSETS - Beginning of Year	<u>988,316</u>	<u>7,032</u>	<u>995,348</u>
NET ASSETS - End of Year	<u>\$ 800,248</u>	<u>\$ 7,032</u>	<u>\$ 807,280</u>

The accompanying Notes to Financial Statements are an integral part of these Statements.

ANTELOPE VALLEY DOMESTIC VIOLENCE COUNCIL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2008

UNRESTRICTED FUND				
	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUND RAISING	TOTAL
COMPENSATION AND RELATED EXPENSES				
Wages and Salaries	\$ 1,175,089	\$ 249,761	\$ 0	\$ 1,424,850
Employee Benefits	151,020	1,944	0	152,964
Employee Insurance	58,522	2,096	0	60,618
Payroll Taxes	92,255	1,828	0	94,083
Total Compensation and Related Expenses	1,476,886	255,629	0	1,732,515
OPERATING EXPENSES				
Conferences, Travel and Training	8,125	19,083	0	27,208
Depreciation	54,908	0	0	54,908
Insurance	2,984	32,595	0	35,579
Occupancy:				
Rent and Maintenance	138,668	324	0	138,992
Utilities	28,205	0	0	28,205
Advertising and Miscellaneous	2,151	687	3,592	6,430
Program Supplies and Services	194,491	223	0	194,714
Legal and Audit Services	427	17,529	0	17,956
Printing, Office Supplies and Postage	53,225	15,914	726	69,865
Telephone	26,278	12,922	186	39,386
Equipment Expense	(424)	0	0	(424)
In Kind Services, Materials and Facilities	1,247,242	25,693	0	1,272,935
Total Operating Expenses	1,756,280	124,970	4,504	1,885,754
Total Expenses	\$ 3,233,166	\$ 380,599	\$ 4,504	\$ 3,618,269

The accompanying Notes to Financial Statements are an integral part of these Statements.

ANTELOPE VALLEY DOMESTIC VIOLENCE COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL ALL FUNDS</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Change in Net Assets	\$ (188,068)	\$ 0	\$ (188,068)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:			
Depreciation	54,908	0	54,908
(Increase) Decrease in Assets:			
Accounts Receivable	233,506	0	233,506
Inventory	(1,992)	0	(1,992)
Prepaid Expenses and Other Current Assets	13,086	0	13,086
Increase (Decrease) in Liabilities:			
Accounts Payable	(52,208)	0	(52,208)
Accrued Expenses	(14,400)	0	(14,400)
Deferred Income	79,106	0	79,106
Accrued Payroll	7,667	0	7,667
Compensated Absences	16,390	0	16,390
Net Cash Provided (Used) by Operating Activities	<u>147,995</u>	<u>0</u>	<u>147,995</u>
Net Increase (Decrease) in Cash	147,995	0	147,995
CASH -Beginning of Year	<u>347,550</u>	<u>7,032</u>	<u>354,582</u>
CASH - Ending of Year	<u><u>\$ 495,545</u></u>	<u><u>\$ 7,032</u></u>	<u><u>\$ 502,577</u></u>

SUPPLEMENTAL DISCLOSURES

Interest Paid	<u><u>\$ 383</u></u>
Taxes Paid	<u><u>\$ 10</u></u>

The accompanying Notes to Financial Statements are an integral part of these Statements.

NOTES TO FINANCIAL STATEMENTS

ANTELOPE VALLEY DOMESTIC VIOLENCE COUNCIL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Organization

Antelope Valley Domestic Violence Council (the Council) was incorporated in 1980. The council provides emergency shelter and transitional housing for victims of domestic violence and their dependent children. The Council also provides comprehensive services such as a 24-hour crisis hotline, emergency transportation, outreach programs, therapeutic day care, as well as group and individual counseling for adults and children. The funds to finance the above listed services are provided by various sources such as Federal, State, County and local governments, as well as United Way, various foundations, corporations, and other private sources.

B. Financial Statement Presentation

The financial statements of the Council have been prepared on the accrual basis in conformity with generally accepted accounting principles. The statements are presented in accordance with the provisions of Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-of-Profit Organizations*. Under SFAS No. 117, the Council is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

C. Classification of Revenue, Support and Net Assets

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and nature of donor restrictions.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted by the donor for specific purposes or for future periods are reported as an increase in temporarily restricted or permanently restricted support. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Statement of Financial Accounting Standards No. 116, *Accounting for Contributions Received and Contributions Made* and its subsequent interpretations, provides that if the governing body of an organization has the ability to remove a donor restriction (i.e., variance power), the contribution should be classified as an unrestricted net asset. Accordingly, such assets are classified in the accompanying financial statements as unrestricted net assets absent donor-imposed restrictions to maintain the assets permanently. This classification does not alter the longstanding policy of the foundation to distribute assets entrusted to the Council in accordance with the intentions of the Council's donors and to manage the assets of the component funds in a manner similar to an endowment with only a portion of each component fund distributed annually, unless directed otherwise by the fund advisor.

D. Property and Equipment

Property and equipment acquired by purchase are recorded at cost and depreciated under the straight-line method over their estimated useful lives. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as restricted support. Absent donor stipulation regarding how long those donated assets must be maintained, the Council reports expiration of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Council reclassifies temporarily restricted net assets to unrestricted net assets at that time.

ANTELOPE VALLEY DOMESTIC VIOLENCE COUNCIL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Compensated Absences

Accumulated vacation benefits are recorded as liabilities on the books of the Council. The Council's policy is to record sick and holiday pay as operating expenses in the period sick leave or holiday is taken. As of June 30, 2008, the total compensated absence liability for accumulated vacation was \$67,572.

F. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Accordingly, actual results could differ from those estimates.

G. Functional Expenses

Expenses are charged to each program based on direct expenses incurred.

H. Donated Facilities, Materials and Services

Donated facilities are reflected as in kind donations / program service expense. These donated facilities were valued at \$519,996 during the fiscal year ended June 30, 2008.

Donated materials are reflected as contribution revenues / program service expense. These donated materials were valued at \$486,994 during the fiscal year ended June 30, 2008.

Donated professional and non-professional services have been reflected on the financial statements based upon the normal pay for the type of service rendered. During the fiscal year ended June 30, 2008, these professional and non-professional services totaled 929 hours and were valued at \$265,945 by using the FESG rate of \$18 per hour including benefits.

I. Net Asset Classifications

Net assets are classified based on the existence or absence of donor-imposed restrictions. Net assets are defined as follows:

Unrestricted net assets are not subject to donor-imposed stipulations or the donor-imposed restrictions have expired.

Temporarily restricted net assets include assets for which donor-imposed restrictions have not been met.

Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by the Council. Generally, the donor of these assets permits the Council to use all or part of the income earned on related investments for general or specific purposes. There are no permanently restricted net assets as of June 30, 2008.

J. Tax Status

The Council qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Service Code and Section 23701d of the State of California Revenue and Taxation Code. No provision for taxes is required. The Council is not considered a private foundation.

ANTELOPE VALLEY DOMESTIC VIOLENCE COUNCIL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Cash and Cash Equivalents

For purposes of reporting cash flows, all highly liquid investments (including restricted assets) with a maturity of three months or less are considered to be cash equivalents.

L. Inventory -- Thrift Shop

As of June 30, 2008, the Council maintained Thrift Shop inventory at the lower of estimated cost or market at the date of donation.

The estimated fair market value of the items held in inventory that was donated to the Thrift Shop during the fiscal year ended June 30, 2008 was \$40,878.

NOTE 2 – CASH

Cash consisted of the following:

Cash on Hand	\$	3,950
Cash in Banks		<u>498,627</u>
Total	\$	<u><u>502,577</u></u>

All cash and certificates of deposit are deposited into institutions that are insured or collateralized by the Federal Deposit Insurance Corporation (FDIC). Under FDIC guidelines each depositor's accounts are insured to an aggregate of \$100,000. The Council had deposits in one financial institution in excess of the insured amount by \$335,914.

ANTELOPE VALLEY DOMESTIC VIOLENCE COUNCIL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 3 – RECEIVABLES

Receivable at June 30, 2008 consisted of the following:

Federal Sources:

O.E.S. Criminal Justice Program Division	\$ 98,628	
Housing and Urban Development	<u>145,146</u>	
Total Federal		<u>\$ 243,774</u>

State of California Sources:

O.E.S. Criminal Justice Program Division	12,234	
Department of Health Services	<u>55,332</u>	
Total State		<u>67,566</u>

Los Angeles County Sources:

Community and Senior Services	<u>23,706</u>	
Total County		<u>23,706</u>

Local Sources:

United Way	36,947	
Other Local	<u>706</u>	
Total Local		<u>37,653</u>

Total Accounts Receivable		<u><u>\$ 372,699</u></u>
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ANTELOPE VALLEY DOMESTIC VIOLENCE COUNCIL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 4 – PROPERTY AND EQUIPMENT

A summary of changes in property and equipment is presented below:

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
Building	\$ 491,991	\$ 0	\$ 0	\$ 491,991
Leasehold Improvements	635,645	0	0	635,645
Office Equipment	93,900	0	0	93,900
Vehicles	38,357	0	0	38,357
Furniture and Fixtures	26,943	0	0	26,943
Totals	1,286,836	0	0	1,286,836
Accumulated Depreciation	(590,917)	(54,908)	0	(645,825)
Net Property and Equipment	<u>\$ 695,919</u>	<u>\$ (54,908)</u>	<u>\$ 0</u>	<u>\$ 641,011</u>

NOTE 5 – SHORT-TERM DEBT / LINE OF CREDIT

As of June 30, 2008 the Council did not maintain any short-term debt or lines of credit.

NOTE 6 – LONG-TERM DEBT

The Council entered into an agreement on June 28, 2001, with the State of California for a loan in the amount of \$500,000. The loan proceeds are to be used for the “development” construction of emergency shelter and transitional housing facilities on the property leased from the County of Los Angeles. The note is secured by the property and bears interest at 3.00%. No predetermined annual repayment terms have been established. Per the State agreement upon the expiration of the loan period of 10 years, provided the development has been used as an emergency shelter or transitional housing, the State of California will forgive the loan. However, if a transfer or conveyance of the “development” property occurs prior to the end of the loan period that results in the development no longer being used as an emergency shelter or transitional housing, the State of California will terminate the loan and require immediate repayment of the loan including accrued interest. As of June 30, 2008, the loan balance was \$500,000.

Long-term debt as of June 30, 2008 is presented below:

	Outstanding July 1, 2007	Issued	Redeemed	Outstanding June 30, 2008	Due Within One Year
State of California	<u>\$ 500,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 500,000</u>	<u>\$ 0</u>

ANTELOPE VALLEY DOMESTIC VIOLENCE COUNCIL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 7 – LEASE COMMITMENTS

A. Operating Leases

As of June 30, 2008 the Council had entered into four operating leases with periods extending longer than twelve months. The minimum future rental commitments under these non-cancelable operating leases for the Council's Thrift Shop, Outreach Center, Access Center, and Glendale Shelter are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Lease</u> <u>Payment</u>
2009	\$ 31,153
2010	<u>3,240</u>
Total	<u>\$ 34,393</u>

B. Capital Leases

The Council has not entered into any capital leases that provides for title to pass to the Council upon expiration of the lease period.

NOTE 8 – FEDERAL AND STATE INCOME TAXES

The Council is a non-profit public benefit corporation organized under the laws of the State of California. The Council is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code, and exempt from State franchise or income tax under Section 23701d of the California Revenue and Taxation Code. Accordingly, no provisions for income taxes or related credits are included in the accompanying financial statements.

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS

The Council maintains an approved profit sharing pension plan under IRC Section 401(A). All full time employees are eligible and employer contributions were based on 2% of eligible wages as defined in the plan. Total employer contributions for the year ended June 30, 2008, were \$19,169.

The Council also maintains a "Cafeteria Plan" pursuant to Internal Revenue Service Code Section 125. The plan is funded through salary reductions to be used for participants' different insurance and fringe benefit needs. The Antelope Valley Domestic Violence Council makes no employer contributions to this plan. For the year ended June 30, 2008, employee contributions to this retirement plan totaled \$48,224.

Effective March 1, 2001, the Council also adopted a retirement plan pursuant to IRS Section 403(b) for all eligible employees of the Antelope Valley Domestic Violence Council. The retirement plan is funded through salary reductions only. The Antelope Valley Domestic Violence Council makes no employer contributions to this plan. For the year ended June 30, 2008, employee contributions to this retirement plan totaled \$13,200.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Federal and State Allowances, Awards and Grants

The Council has received federal and state funds for specific purposes that are subject to review and audit by the grantor agencies.

ANTELOPE VALLEY DOMESTIC VIOLENCE COUNCIL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 10 – COMMITMENTS AND CONTINGENCIES (Continued)

Federal Financial Assistance – Single Audit Act

Effective for fiscal years ended June 30, 2005 and later, Circular OMB A-133, known as the “*Single Audit Act*” was revised. These revisions included the raising of the threshold for which recipients of federal financial assistance are subject to the Single Audit requirements. For all fiscal years ending June 30, 2005 and later recipients of more than \$500,000 of federal financial assistance are subject to single audit. The Council received \$500,000 of federal financial assistance. The Schedule of Federal Financial Assistance on page 16 has been prepared to meet the disclosure requirement. The schedules shown on pages 17 through 20 have been prepared to meet the auditing and disclosure requirement of the Office of Emergency Services, Criminal Justice Program Division. These schedules have been subjected to normal government auditing procedures.

SUPPLEMENTARY INFORMATION

**ANTELOPE VALLEY DOMESTIC VIOLENCE COUNCIL
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2008**

PROGRAM NAME	GRANT PERIOD	GRANT NUMBER	FEDERAL CFDA	TOTAL GRANT AMOUNT	PRIOR YEAR RECEIPTS AND REVENUE RECOGNIZED	CURRENT YEAR RECEIPTS AND REVENUE RECOGNIZED	CURRENT YEAR FEDERAL EXPENDITURES	CASH DEFERRED REVENUE AT 06/30/08
<u>O.E.S. Criminal Justice Program Division</u>								
Valley Oasis Shelter *	07/01/07-06/30/08	DV07221195		\$ 167,952	\$ 0	\$ 157,683	157,683	\$ 1,961
HHS Domestic Violence			93.671					
VOCA Domestic Violence			16.575					
VAWA Domestic Violence			16.588					
Extended Forensic Evaluation *	01/01/07-12/31/08	EF-0601-1195	93.643	50,000	6,977	32,727	32,727	0
<u>U.S. Department of Housing and Community Development</u>								
Emergency Housing Service *	07/01/07-06/30/08	2002006CNESG02	14.231	53,333	0	50,030	50,030	870
Supportive Housing Program *	10/01/06-09/30/07	CA16B4010046	14.235	143,912	108,370	33,693	33,693	0
Supportive Housing Program *	10/01/06-09/30/07	CA16B500120	14.235	200,000	134,766	60,297	60,297	0
Supportive Housing Program *	05/01/07-04/30/08	Sub Recipient	14.235	144,628	24,738	119,964	119,964	0
Supportive Housing Program *	10/01/07-09/30/08	CA16B500035	14.235	143,911	0	112,040	112,040	0
Supportive Housing Program *	10/01/07-09/30/08	CA16B600125	14.235	200,000	0	138,996	138,996	0
Supportive Housing Program *	05/01/08-04/30/09	Sub Recipient	14.235	144,628	0	26,070	26,070	0
Scattered Site Transitional Housing *	07/01/07-06/30/08	CA16B600034	14.235	189,000	0	153,107	153,107	0
<u>Federal Emergency Management Agency</u>								
Emergency Food and Shelter Program	10/01/06-09/30/07	AT06031195	16.575	161,180	121,232	24,480	24,480	0
Emergency Food and Shelter Program	11/01/06-10/31/07	25-0695-00	97.024	26,859	13,430	14,215	14,215	0
Emergency Food and Shelter Program	10/01/07-09/30/08	AT06031195	16.575	150,000	0	106,203	106,203	0
Emergency Food and Shelter Program	11/01/07-10/31/08	069500-002	97.024	28,453	0	14,227	14,227	0
Total Federal Programs					\$ 1,043,732	\$ 1,043,732	\$ 1,043,732	\$ 2,831

* Major Programs

See the accompanying Notes to Supplementary Information.

ANTELOPE VALLEY DOMESTIC VIOLENCE COUNCIL
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2008

PROGRAM NAME	GRANT PERIOD	GRANT NUMBER	TOTAL GRANT AMOUNT	PRIOR YEAR RECEIPTS AND REVENUE RECOGNIZED	CURRENT YEAR RECEIPTS AND REVENUE RECOGNIZED	CURRENT YEAR STATE EXPENDITURES	CASH DEFERRED REVENUE AT 06/30/08
O.E.S. Criminal Justice Program Division							
Valley Oasis Shelter	07/01/06-06/30/08	DV06211195	\$ 32,118	\$ 0	\$ 32,118	32,118	\$ 0
Department of Housing and Community Development							
Emergency Housing and Assistance Program	08/02/07-10/01/08	06-EHAP-2638	30,000	0	23,571	23,571	0
Department of Health Services							
Maternal and Child Health Grant	07/01/05-06/30/10	05-45012	1,106,738	221,329	171,119	171,119	50,210
Total State Programs					\$ 226,808	\$ 226,808	\$ 50,210

See the accompanying Notes to Supplementary Information.

ANTELOPE VALLEY DOMESTIC VIOLENCE COUNCIL
SCHEDULE OF COUNTY FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2008

PROGRAM NAME	GRANT PERIOD	GRANT NUMBER	TOTAL GRANT AMOUNT	PRIOR YEAR RECEIPTS AND REVENUE RECOGNIZED	CURRENT YEAR RECEIPTS AND REVENUE RECOGNIZED	CURRENT YEAR COUNTY EXPENDITURES	CASH DEFERRED REVENUE AT 06/30/08
Community and Senior Services							
Cal Works Phase II - Case Management	07/01/07-06/30/08	50127	420,000	0	344,771	344,771	16,800
Community Services Block Grant	01/01/07-12/31/07	35158	77,237	36,283	38,583	38,583	0
Community Services Block Grant	01/01/08-12/31/08	35158	77,238	0	36,241	36,241	2,378
Domestic Violence Emergency Shelter	07/01/07-06/30/08	50105	65,000	0	60,614	60,614	4,387
Total County Programs				\$ 480,209	\$ 480,209	\$ 480,209	\$ 23,565

See the accompanying Notes to Supplementary Information.

ANTELOPE VALLEY DOMESTIC VIOLENCE COUNCIL
O.E.S. CRIMINAL JUSTICE PROGRAM DIVISION
SCHEDULE OF GRANT REVENUES
FOR THE YEAR ENDED JUNE 30, 2008

REVENUES											
Valley Oasis Shelter											
D.V. 06211195											
07/01/07-06/30/08											
	BUDGET	RECEIVED	RECEIVED	RECEIVED	RECEIVED	RECEIVED	RECEIVED	RECEIVED	DEFERRED	RECOGNIZED	
Federal	\$ 167,952	\$ 0	\$ 159,644	\$ 0	\$ 159,644	\$ (1,961)	\$ 157,683				
Federal Match	40,690	0	0	37,944	37,944	0	37,944				
State	32,118	0	32,118	0	32,118	0	32,118				
State Match	3,212	0	0	3,212	3,212	0	3,212				
Totals	243,972	0	191,762	41,156	232,918	(1,961)	230,957				
Grand Totals	\$ 243,972	\$ 0	\$ 191,762	\$ 41,156	\$ 232,918	\$ (1,961)	\$ 230,957				

See the accompanying Notes to Supplementary Information.

ANTELOPE VALLEY DOMESTIC VIOLENCE COUNCIL
O.E.S. CRIMINAL JUSTICE PROGRAM DIVISION
SCHEDULE OF GRANT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2008

	TOTAL APPROVED BUDGET	PRIOR YEAR EXPENDITURES	2007/2008		TOTAL 2007/2008 EXPENDITURES	TOTAL GRANT EXPENDITURES	OVER (UNDER) BUDGET
			2007/2008 CASH EXPENDITURES	CASH / IN-KIND MATCH EXPENDITURES			
D.V. 06211195							
07/01/07-06/30/08							
Personal Services	\$ 140,277	\$ 0	\$ 129,282	\$ 0	\$ 129,282	\$ 129,282	\$ (10,995)
Operating Expenses	103,695	0	59,915	41,760	101,675	101,675	(2,020)
Totals	243,972	0	189,197	41,760	230,957	230,957	(13,015)
Grand Totals	\$ 243,972	\$ 0	\$ 189,197	\$ 41,760	\$ 230,957	\$ 230,957	\$ (13,015)

See the accompanying Notes to Supplementary Information.

**ANTELOPE VALLEY DOMESTIC VIOLENCE COUNCIL
STATEMENT OF ACTIVITIES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>OVER (UNDER) BUDGET</u>
PUBLIC SUPPORT AND REVENUES			
PUBLIC SUPPORT			
Corporation and Foundation Donations	\$ 60,000	\$ 22,800	\$ (37,200)
Individual, Service Organizations, and Employee Fund Donations	<u>65,000</u>	<u>141,198</u>	<u>76,198</u>
Total Public Support	<u>125,000</u>	<u>163,998</u>	<u>38,998</u>
REVENUES			
Federal Financial Assistance/Grants	1,241,156	1,043,732	(197,424)
State Financial Assistance/Grants	170,000	226,808	56,808
County Financial Assistance/Grants	560,000	480,209	(79,791)
Thrift Shop Sales	135,000	88,711	(46,289)
Special Events and Fundraising	50,000	46,562	(3,438)
United Way	85,000	88,098	3,098
Other	3,000	18,148	15,148
In-Kind Donations	900,000	1,272,935	372,935
Investment Earnings	<u>1,500</u>	<u>1,000</u>	<u>(500)</u>
Total Revenues	<u>3,145,656</u>	<u>3,266,203</u>	<u>120,547</u>
Total Public Support and Revenues	<u>3,270,656</u>	<u>3,430,201</u>	<u>159,545</u>
COMPENSATION AND RELATED EXPENSES			
Wages and Salaries	1,430,000	1,424,850	(5,150)
Employee Benefits	140,000	152,964	12,964
Employee Insurance - Workers Compensation	115,200	60,618	(54,582)
Payroll Taxes	<u>107,100</u>	<u>94,083</u>	<u>(13,017)</u>
Total Compensation and Related Expenses	<u>1,792,300</u>	<u>1,732,515</u>	<u>(59,785)</u>

The accompanying Notes to Financial Statements are an integral part of these Statements.

**ANTELOPE VALLEY DOMESTIC VIOLENCE COUNCIL
STATEMENT OF ACTIVITIES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>OVER (UNDER) BUDGET</u>
OPERATING EXPENSES			
Conferences, Travel and Training	\$ 43,000	\$ 27,208	\$ (15,792)
Depreciation	0	54,908	54,908
Insurance	40,000	35,579	(4,421)
Occupancy:			
Rent and Maintenance	148,500	138,992	(9,508)
Utilities	27,000	28,205	1,205
Advertising and Miscellaneous	27,656	6,430	(21,226)
Program Supplies and Services	164,200	194,714	30,514
Legal and Audit Services	12,500	17,956	5,456
Printing, Office Supplies and Postage	51,500	69,865	18,365
Telephone	39,000	39,386	386
Equipment Expense	25,000	(424)	(25,424)
In Kind Services, Materials and Facilities	900,000	1,272,935	372,935
Total Operating Expenses	<u>1,478,356</u>	<u>1,885,754</u>	<u>407,398</u>
Total Expenses	<u>3,270,656</u>	<u>3,618,269</u>	<u>347,613</u>
Change in Net Assets	<u>\$ 0</u>	<u>\$ (188,068)</u>	<u>\$ (188,068)</u>

The accompanying Notes to Financial Statements are an integral part of these Statements.

ANTELOPE VALLEY DOMESTIC VIOLENCE COUNCIL
BOARD OF DIRECTORS
JUNE 30, 2008

<u>NAME</u>	<u>OFFICE</u>
Theresa Dawson	President
James Lott	Secretary
Judy Cooperberg	Vice President
Larry Grooms	Director
Leila Bleeker	Director
Irene Wilson	Director
Ted Wilson	Director
Dana Haycock	Director
Cheryl Rose	Director
Pam Potter	Director
Shawntrice Watkins	Director

ADMINISTRATION

Carol Ensign, LCSW – Executive Director

Darryl Kniss – Chief Financial Officer

ANTELOPE VALLEY DOMESTIC VIOLENCE COUNCIL
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2008

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Federal and State Financial Assistance

This schedule represents a disclosure of the financial activities of selected federal and state funded programs.

Schedule of Grant Revenues and Expenditures

The O.E.S. Criminal Justice Program Division requires a disclosure of the financial activity of its grant funds. To comply with O.E.S. Criminal Justice Program Division this schedule was prepared for the Council.

OTHER INDEPENDENT AUDITOR'S REPORTS



BURKEY COX EVANS BRADFORD & ALDEN

ACCOUNTANCY CORPORATION

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TERESA YATES, CPA
TERRY L. SNEDIGAR, EA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Antelope Valley Domestic Violence Council
Lancaster, California

We have audited the financial statements of Antelope Valley Domestic Violence Council as of and for the year ended June 30, 2008, and have issued our report thereon dated January 27, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Antelope Valley Domestic Violence Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Antelope Valley Domestic Violence Council's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management, Los Angeles County, State of California Controller's Office, and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Burkey & Cox

BURKEY COX EVANS BRADFORD & ALDEN
Certified Public Accountants

Lancaster, California
January 27, 2009



BURKEY COX EVANS BRADFORD & ALDEN

ACCOUNTANCY CORPORATION

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EASH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Antelope Valley Domestic Violence Council
Lancaster, California

Compliance

We have audited the compliance of Antelope Valley Domestic Violence Council with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that are applicable to each major federal programs for the year ended June 30, 2008. The Antelope Valley Domestic Violence Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of the laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Antelope Valley Domestic Violence Council's management. Our responsibility is to express an opinion on Antelope Valley Domestic Violence Council compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Antelope Valley Domestic Violence Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Our audit does not provide a legal determination on the Antelope Valley Domestic Violence Council's compliance with those requirements.

In our opinion, Antelope Valley Domestic Violence Council complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Antelope Valley Domestic Violence Council is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Antelope Valley Domestic Violence Council's internal control over compliance with requirements that could have a direct and material effect on a major

Antelope Valley Domestic Violence Council
Page 2

federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Antelope Valley Domestic Violence Council's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that non-compliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material non-compliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Antelope Valley Domestic Violence Council's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Antelope Valley Domestic Violence Council's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, State of California Controller Office, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



BURKEY COX EVANS BRADFORD & ALDEN
Certified Public Accountants

Lancaster, California
January 27, 2009

FINDINGS AND QUESTIONED COSTS

ANTELOPE VALLEY DOMESTIC VIOLENCE CENTER
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2008

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

___ Yes X No

Reportable condition(s) identified not
considered to be material weaknesses?

X Yes ___ None reported

Noncompliance material to financial statements
noted?

___ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

___ Yes X No

Reportable condition(s) identified not
considered to be material weaknesses?

___ Yes X None reported

Type of auditor's report issued on compliance for
major programs:

Unqualified

Any audit findings disclosed that are required to be
reported in Accordance with Circular A-133,
Section 510(a)

___ Yes X No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.231	U.S. Department of Housing and Community Development - Emergency Housing
14.235	U.S. Department of Housing and Community Development - Emergency Housing
93.671	O.E.S. Criminal Justice Program Division - HHS Domestic Violence
16.575	O.E.S. Criminal Justice Program Division - VOCA Domestic Violence
16.588	O.E.S. Criminal Justice Program Division - VAWA Domestic Violence
93.643	O.E.S. Criminal Justice Program Division - Extended Forensic Evaluation

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?

X Yes ___ No

ANTELOPE VALLEY DOMESTIC VIOLENCE CENTER
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2008

Number: 2008-1

Finding: Internal control guidelines recommend that cash balances in financial institutions be kept at a level that generally does not exceed the Federal Depository Insurance Corporation (FDIC) insured amount of \$100,000. As of June 30, 2008, the Council maintained accounts at one bank, which exceed the FDIC insurance maximum by \$335,914.

Recommendation: To the extent possible, the Council should consider either splitting it's cash accounts into several financial institutions, or obtaining a collateralization agreement from the bank that separately insures any funds maintained in excess of the \$100,000 FDIC limits.

Organization Response: We have contacted our financial institution, Antelope Valley Bank (a division of California Bank & Trust), regarding collateralization of the excess funds deposited in their bank. The response was that they only do this for public institutions such as schools and hospitals. Due to the fact that many of our deposits exceed \$100,000 and in some cases we receive a single check in excess of that amount the diversification of funds to other institutions would be an unworkable exercise. The General Account, from which all accounts payable and payroll tax transfers are made, has weekly activity in excess of \$100,000. The Council understands the position of the auditors on this matter but finds that the complexity of multiple transfers outweighs the potential risk. We will continue to pursue the bank and have requested a ruling from the Bank of Zion their parent.

It should be noted that with the increase in the FDIC insurable maximum to \$250,000 the risk is significantly reduced. We will however continue to press the parent company of A. V. Bank for a decision on collateralization.

ANTELOPE VALLEY DOMESTIC VIOLENCE CENTER
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
JUNE 30, 2008

Number: 2007-1

Finding: Internal control guidelines recommend that cash balances in financial institutions be kept at a level that generally does not exceed the Federal Depository Insurance Corporation (FDIC) insured amount of \$100,000. As of June 30, 2008, the Council maintained accounts at one bank, which exceed the FDIC insurance maximum by \$188,000.

Recommendation: To the extent possible, the Council should consider either splitting its cash accounts into several financial institutions, or obtaining a collateralization agreement from the bank that separately insures any funds maintained in excess of the \$100,000 FDIC limits.

Current Status: Not implemented, see finding 2008-1.

Number: 2007-2

Finding: While testing the Council's expense and disbursements we noted that the year-to-date accounting general ledger detail did not tie to the year-end trail balance or financial statement. It appears this discrepancy was due to an accounting software corruption that occurred without being detected.

Recommendation: This year-to-date general ledger provides an important internal control support function and the Council's software should be modified as soon as possible to correct the corruption and allow for the processing of an accurate year-to-date detailed general ledger.

Current Status: Fully implemented.